

Copy.

Assay Office U.S. Mint

Philadelphia.

May 9<sup>th</sup>, 1878.Hon. James Pollock  
Superintendent &c. &c.

Sir

I have from you, copies of two letters from the Director of the Mint of April 18 & 19, respecting a Revision & Re-issue of the printed "Instructions" and Regulations in relation to the transaction of Business at the Mint's &c., and also referring to the charge or non-charge upon Silver Purchases made by the Treasury Department.

This matter being referred to Operative Officers, and Accounting Clerks, I proceed to do my share of the examination.

I do not see that there is any call for altering the Regulations greatly. They were carefully and laboriously framed, four years ago, as growing out of the Mint Code of 1873. Some changes have been made since.

The Tariff of Mint charges, however, with which, under the law I am more expressly concerned, needs material alteration in a few prominent points, in my judgment.

To speak first in general, I would say there is too little discretion given to the Officers, especially to the Assayer and Melter and Refiner, as to the specific cases in which charges should or should not be made. Not that we covet a discretion which is liable to abuse, or to form the basis of accusation of partiality. On the contrary, we would rather be quite relieved if any such discretion. At the same time we are obliged to see that some depositors are charged too much, and others too little, under the present rules.

A second general & preparatory remark may be made - that the Mints here, and I presume the Mints and Assay Offices elsewhere, do a great deal of melting & refining for dealers in old bullion, most of it in scraps of jewelry, or plate; and while most of them have their own facilities for those operations (melting & refining,) they prefer to have

them done under our very low tariff of charges. A large part of our daily work is from these lots, large and small; some very small.

It must be admitted, that it is a great public convenience, to have places of authority and reliability, such as the Mints and Assay Offices, where any one can bring a suitable lot of gold or silver in almost any form, to be exchanged for the real value in money. By the aid of Express Companies, this benefit is realized by the whole country.

I do not therefore propose to throw any obstructions in the way of this part of our business; but to suggest, that the dealers should have an inducement to do the melting and refining themselves; or to have it done, before sending their lots. This would save us from the complaints of loss in melting or refining; which complaints generally come from this class of depositors. It would also be more business-like, for us to operate upon melted bars or kings, than upon loose articles of jewelry or plate. The way to gain this point, is simply to charge a little more for deposit-melting. And here let me say, that we are frequently

assaying a ring, or a chain, or a spoon without any melting & without depositing, at a charge of one dollar, of which no complaint is made.

Surely we should not charge less, when a melting has to be performed, with all the expense of materials. I now come to particulars. And you will observe that I limit myself to the schedule for this Mint only; taking for granted that the proper officers of other Mints and assay offices will speak for themselves. The printed Regulations have different rates of charges, suited to different locations.

### I. Deposit Melting. (page 6, Reg.)

The Regulation under this head, is stringent, giving no discretion, beyond certain Exceptions. It is just here that I think the Assayer, and the Melter & Refiner, ought to have a "chancery power". A fine silver bar (so called) under the strict line of 997<sup>1/2</sup> may not need to be melted, before assay. Formerly we thought differently; but experience has taught us (especially in receiving stamped bars from an authentic bullion mark) that a bar of 99<sup>9</sup> needs no preliminary melting. In fact, in cases where all suspicion of

fraud is excluded, we could go lower down in the scale of fineness, even to such a point as compels us to take granulations, instead of cuttings, for the assay. To get granules, we must have a melting. I will not specify what that point is, but merely say that the two officers ought to have a discretion whether to melt or not. If either of them is dissatisfied with cuttings, the melt should be made.

There again there are some well-made bars of gold; fine, or standard, or otherwise, which may not require melting or at any rate, a part of the lot only. So of Mexican Dollars, French francs, or bars made therefrom, or from other coin. Part of a large lot only, need be melted, to get granulations. These cases (omitting others) suffice to show, that we should not be too tightly bound in this matter. Nor need there be the inconvenience of constant conference; there may be a general understanding between the two officers, which will enable the Assayers in almost all cases, and the Weigh-Clerk as well, to determine whether the deposit or part of it

shall have a preliminary melting; or a  
tempering before assay.

With these explanations, I suggest the following charges for Melting.

On all deposits entered as Gold; under 20 ounces, one dollar.

Over 20 ozs., 50 cents additional.

On all deposits or purchases entered as Silver, under 100 ounces, one dollar.

Over 100 ozs., one dollar with the addition of 1/4 cent per oz. of the surplus.

No charge on Gold or Silver not actually melted; and only for so much as melted for a sample; no charge on United States coin, nor on bars or cakes bearing the stamp of an U. S. Mint or Assay Office. No other exceptions.

## 2. Gold Parting and Refining.

Under this item, I wish it could be reconsidered, whether the Mint here, and the U. S. Assay Office at New York must be precisely parallel in charges. I can not see any necessity for it. Parting will always be their specialty, as Coining is ours; and if they can

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 part rather cheaper than we, let a difference be made. We shall still get a share of that work, certainly.

I therefore propose to make a little addition to our charge for parting, for it is notorious that our present charge is too low.

Bullion containing	1 to 100	<del>in</del>	gold, 2 cents per oz. gross
"	over 100,	to 700,	4 cents per oz.
"	over 700,		5 cents per oz.

Silver parted, to be allowed on the basis of refining the gold to 995.

~~An additional charge on account of base metal,~~ over 100 ~~in~~, 1c per oz.  
 It will be seen that I have changed the division of items, by putting Gold Refining, and Parting, under one head. They are not the same to us, but they will be most economically effected in the same way.

The coppery gold that is to be refined and not parted, is almost always our own or like coin, to be made into fine bars. It can be done in the fire with fluxes, or in the humed way; the latter being the cheapest and best. I would therefore make the charges for Refining Coppery Gold,

precisely the same as for Parting. They might properly be more, but we get very little of this kind of deposit, and it is not worth while to make a distinction. I therefore suggest the double caption for this item No. 2, with one set of figures, as just given.

The provision which says - "For gold coin or standard gold bars, the charge for refining will be on the number of ounces required to be refined to raise the whole to standard" -

I would leave out entirely.

Experience proves it to be useless; and in part, it is incorrect, as any one may see.

### 3. Silver Refining.

This thing is done, either in parting out gold, for which provision is made in item No. 2; or in removing copper, and other base metals, to make it fit for fine bars or for standard coins or bars. Let us consolidate this into two charges. Containing less than 900 fine, 1 to 2 cents per ounce gross. Containing over 900 fine,  $\frac{1}{2}$  to 1 cent per ounce gross. And then, as above, leave out the clause about refining a part to

raise the whole standard. This distinction once thought necessary, is not worth keeping up.

This item is partly affected by the next one.

#### 4. Toughening.

This is a flux - refining, in the melting pot, to clear the gold or silver of base metals which make it brittle. It generally does not raise the fineness very much. It may apply to a fluxing before assay, or after. In either case we need a more just charge than is now imposed, at least on gold jewelry and scraps.

Let us say,

For toughening gold bullion, 1 cent to 5 cents per <sup>ounce.</sup>  
 " " silver . . .  $\frac{1}{2}$  to 1 cent per oz.

And then leave out the clause about an addition in case of parting & refining.

Now & then (rarely) there is a case in which the above will not cover expenses, and yet it is a hardship to turn the party away. Here again we need a discretionary power to make an extra charge, equal to cost without being precise.

## 5. Silver Alloy, of Gold.

As we now habitually get gold from our Partings not less than 995 fine, and generally higher, we may assume that only 5 thousandths, of silver, is left in the gold; and consequently charge the depositor for that, instead of double the quantity under the present Regulations. This would make  $\frac{1}{99}$  th of the weight of the gold; but to escape this awkward proportion & make the calculations easier, I propose to call it  $\frac{1}{200}$  d.; a difference hardly appreciable.

## 6. Copper Alloy.

This item needs no change unless to abolish it altogether, as of small account.

## 7. Coinage Charge.

There is now by law only a charge on trade dollars, at present 1 $\frac{1}{4}$  cents each, which would be more equitable at 1 $\frac{1}{2}$  cents.

## 8. Bar Charge.

The present charges are very low & inadequate. No private refinery would do the work at such figures. Nor does it seem worth while to make five classes; three would simplify

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I would suggest,

For gold bars, fine or standard, 10 cents per \$100.  
For silver bars, fine or standard  $\frac{1}{2}$  cent per ounce.  
"Large bars of same silver as deposited" have never been asked for here.

In regard to Silver Purchases by the Treasury Department under a special law, (and not by the Superintendent under the general law,) I would suggest as obviously necessary, that we make only such changes, if any, as we are instructed to make, by the terms of the purchase.

Since the foregoing was written, I have seen the recent modification of charges, at the U. S. Assay Office at New York, under the

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approval of the authorities at Washington.

The charges are not material, and they tend to confirm what I have already said, that there is no necessity for an entire parity of charges, between us and them. I still maintain, that both Institutions have been worked too cheaply, that is, more in the interest of depositors than of the Government. And I would be glad to find them willing at least to increase the melting charge, in cases as specified.

Very respectfully

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